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E.O. 12958: DECL: 04/04/2017

TAGS: ECON ASEC EAIR ETRD PGOV PINR PREL CASC BB XL SUBJECT: DISAPPOINTING CRICKET WORLD CUP 2007

REF: A. GEORGETOWN 361 ¶B. KINGSTON 413

Classified By: DCM Mary Ellen T. Gilroy for reasons 1.4 (b) and (d).

11. (C) Summary: Four years ago, the Caribbean Community (CARICOM) signed an agreement to host the world's third largest sporting competition, the Cricket World Cup (CWC), from February to April, 2007. Caribbean governments have reportedly spent over USD 500 million on preparations for what they expected to be a mega-event that would draw as many as 100,000 Cricket fans. Early CWC matches have shown these expectations to be vastly overinflated. Empty stadiums and hotels have left the organizers scrambling to salvage what they can of the CWC, while the political leaders are busying themselves with fingerpointing and blame-shifting. End Summary.

The CWC Hype vs. Reality

- 12. (SBU) The CWC 2007 Chief Executive Officer, Chris Dehring, has been promoting the competition as a "defining moment for the West Indies" and an opportunity to "showcase to the world the best of the Caribbean." Governments and businesses across the region bought into this vision and invested significant energy and large sums of money into the event's preparations. According to media reports, the host countries spent over USD 500 million on infrastructure improvements, new or refurbished Cricket stadiums, as well as upgraded and additional hotel space. Closed streets, businesses, canceled school classes, and general slowdown in non-CWC government activity have translated into further costs, much of which will probably go uncalculated.
- 13. (SBU) Over the past several weeks, the host governments and the region's businesses have watched their hopes for a CWC-related economic boon evaporate. It is now clear that the 100,000 cricket fans that the region had expected will not be coming. Some are blaming the empty stadiums and hotels on the early exit from the tournament of Pakistan and India, Cricket's two powerhouses that were to bring planeloads of fans to the region. Others have pointed to the haphazard and tardy implementation of the CARICOM visa requirement, as well as the ticket pricing scheme, which has

left many in the region charging that the West Indies fans have been priced out of the market. The region's governments have also been criticized for accepting unnecessary restrictions on the kinds of activities that would be allowed during the CWC matches. While barring food, drink, and musical instruments from the venues may have made sense from a security standpoint, the West Indies fans contend these restrictions have taken the Caribbean flavor out of the tournament and made them feel unwelcome.

The Salvage Operation

14. (SBU) While some commentators are already calling the CWC a "fiasco," the organizers and the governments hosting the remaining matches are trying to contain the damage and do what they can to maximize the number of fans who could still be lured to the matches. Hotels have dropped their rates and governments have launched new advertising campaigns in countries like Ireland and Bangladesh whose teams were surprisingly successful in the early CWC rounds. The governments are hoping to fill the cruiseships they contracted to house cricket fans with local passengers and tourists by advertising heavily discounted, last-minute cruise packages. The organizers are also targeting local fans by lowering ticket prices and removing some of the un-Caribbean restrictions. All this has the air of a fire sale, rather than a well thought-out Plan B, which the CWC host countries clearly lacked.

Let the Fingerpointing Begin

15. (C) Judging by all the fingers pointing every which way, no one in the region is waiting for the CWC final to begin casting blame. The International Cricket Council (ICC) and the West Indies Cricket Board (WICB) have been on the receiving end of much of the criticism, especially from the host governments, which are trying to mask their own poor performance and planning. However, the governments are unlikely to escape unscathed. Hotels, restaurants, taxi drivers, and other businesses will hold their political leaders accountable, not the more remote ICC and WICB. The poor performance by the West Indies Cricket team has only added to the acrimony surrounding the CWC.

Comment

 $\underline{\mbox{\bf 1}}6$. (C) While it may take months to tally all the bills and proceeds, it is already clear that the CWC will not meet the initial expectations within the region. Those expectations and the expenditures they fueled have proven to be, to borrow a phrase from Alan Greenspan, nothing but "irrational exuberance." The host countries can still hope to reap some long-term benefits from the infrastructure improvements and from having the region in the spotlight over the two-month period of the CWC. However, that is little consolation for the region's heavily indebted and vulnerable micro-economies that had expected immediate returns on their investments. The economic impact of the poor CWC showing will not be contained to the region's hotels, restaurants, and other businesses in the tourism industry. It could also include lowered credit ratings for some of the countries, if they cannot cope with the added debt. In addition, China and Venezuela may find it easier to strengthen their influence over the region, which will probably be even more receptive to their assistance offers in the aftermath of the unsuccessful CWC.

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